Title: Discussion on the Iron and Steel Companies (Amalgamation and takeover Laws) Repeal Bill, 2000.(Bill passed.)

14.24 hrs.

MR. CHAIRMAN: Now, the House will take up Bill for consideration and passing.

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJA KISHORE TRIPATHY): Sir, I beg to move:

> "That the Bill to repeal the Iron and Steel Companies Amalgamation Act, 1952, and the Indian Iron and Steel Company (Taking over of Management) Act, 1972, be taken into consideration".

Mr. Chairman, Sir, the Iron and Steel Companies (Amalgamation) Act, 1952 was enacted with the sole purpose of merger of Steel Corporation of Bengal Limited with the Indian Iron and Steel Company Limited and for facilitating dissolution of the Steel Corporation of Bengal Limited. The Act has served its purpose and there is now no need for retaining this Act on the Statute book.

1426 hours (Shri P.H. Pandiyan *in the Chair*)

The Indian Iron and Steel Company (Taking Over of Management) Act, 1972 was enacted to take over the management of Indian Iron and Steel Company for a period of two years from 14th July, 1972 which was extended to five years. This period of five years also expired on 15th July, 1977. In the meanwhile, the Indian Iron and Steel Company (Acquisition of Shares) Act, 1976 was passed by Parliament by which the company was taken over by the Government of India, and subsequently under the provisions of the Steel Companies (Restructuring) and

Miscellaneous Provisions Act, 1978, the Indian Iron and Steel Company was restructured by making it a subsidiary of the Steel Authority of India Limited. As the Indian Iron and Steel Company (Taking Over of Management) Act, 1972 has served its purpose, it is considered necessary to repeal the Act.

MR. CHAIRMAN: Motion moved:

> "That the Bill to repeal the Iron and Steel Companies Amalgamation Act, 1952, and the Indian Iron and Steel Company (Taking Over of Management) Act, 1972, be taken into consideration ."

SHRI BASU DEB ACHARIA (BANKURA): Mr. Chairman, Sir, I rise to oppose the Iron and Steel Companies (Amalgamation and Takeover Laws) Repeal Bill, 2000.

This is not a simple Bill. We opposed the Bill at the time of its introduction also. That is because we need to see as to what the intentions behind bringing this Bill are.

This Bill was enacted in 1918 and then subsequently in 1984. IISCO has a history. IISCO was the first steel plant in our country. Two steel plants were set up in our country - IISCO and TISCO - in one year and in one District. There was one District from Jamshedpur to Saraikala up to Burdwan. Why were these steel plants set up in that area a hundred years ago? It was because there were some locational advantages in that area. Coal and iron ore, which are the raw materials for production of steel, were available in that District.

When the Indian Iron and Steel Company was set up, it was under the British rule. Subsequently it was handed over to a private party. Later, it was nationalised. It was taken over in 1972. Subsequently in 1974 IISCO was nationalised. What was the purpose of this nationalisation? What was stated at that point of time as the object of nationalisation of IISCO, as the Government of India admits now, was to secure improvement in the management and production through programmed investment for modernisation.

So, the main object was to have a better management. How was this better management and production possible? It was possible through programme investment, and by investment for modernisation.

Sir, if I say that nothing has been invested for IISCO, it will be untrue. There had been some investment. At the initial stage after nationalisation, Rs. 43 crore was spent. Why was this money spent just after nationalisation? This money had been put into it by the Government of India practically to get IISCO readjusted with the Steel Authority of India Limited. It was not for modernisation or replacement.

Then Sir, subsequently, Rs. 600 crore had been spent. But what for? Was that money spent for its modernisation? No. That money was not spent for its modernisation. A substantial portion of the said amount went waste because of very *ad hoc* character, without any well-knit programme. I am not talking about pre-nationalisation period. I am talking about post-nationalisation period, that is, since 1974. For the last 26 years, whatever money has been spent

for IISCO, all that has gone waste because that was not spent for modernisation, for the replacement of machinery. I have visited that plant a number of times. I have seen the plant which was set up in 1925. That plant is still functioning.

Sir, we have been clamouring on the floor of this House for the last 10 to 15 years for the modernisation of this plant. We will be able to save IISCO if its modernisation takes place. IISCO is one of the very important steel plants of our country. It is an integrated steel plant. It has its own advantages. It has its own iron ore mine which is the best in the world. Japan was interested to take over its iron ore mine. IISCO has got the reserves of more than 2,000 lakh tonnes of iron ore. If we calculate the value of the reserves of its iron ore, it comes to more than Rs. 10,000 crore.

Sir, IISCO has the best iron ore mines, namely, Chiria Mine and Mohanpur Mine. It also has its own coal mine. Its Chasnala coal is the best quality coal. Its ash content is much less. It has its own washery also. The best quality coal is produced by it.

We have 16 to 17 washeries in our country whose ash content is about 22-23 per cent.

The Chasnala coal washery produces coal with an ash content of 17 per cent because of the quality of coal. It has its own huge and well-planned township. It has a lot of other facilities also. We do not have such facilities in any other steel plant except IISCO. But what is the fate of IISCO? What is the performance of IISCO?

Last year, as per the Annual Report of the Ministry, the steel plant produced 737.9 thousand tonnes of hot metal, 375.1 thousand tonnes of pig iron − IISCO is producing the best pig iron, 301.02 thousand tonnes of crude steel and 385.1 thousand tonnes of saleable steel. This was the performance of IISCO in 1998-99.

What were the targets and achievements? You would be surprised to know that there has not been any investment for modernisation. The pig iron and other steel materials are being manufactured by a plant that is fifty to seventy-years old. You would be surprised to know that during the year 1998-99, the target for hot metal was 725 thousand tonnes and the actual production was 737.9 thousand tonnes, the achievement being 102 per cent. Can the hon. Minister give another example of any steel plant in our country whose achievement is more than a hundred per cent and that too in a plant that is fifty to seventy-years old? Also, there has been no investment in it for the last 26 years, after nationalisation.

The target of the plant for crude steel was 325 thousand tonnes and the output was 301.02 thousand tonnes. In the case of crude steel, the achievement was 93 per cent. Pig iron is the best product of IISCO and nowhere is such quality of pig available in or produced by any steel plant of the Steel Authority of India Limited. The target for pig iron was 342 thousand tonnes and the production was 375.1 thousand tonnes. The achievement was 110 per cent.

The target for saleable steel was 327 thousand tonnes and the output was 285.1 thousand tonnes. In this case, the achievement was 87 per cent.

The financial performance of the IISCO too, compared with other steel plants, is not bad at all. During 1998-99, the company achieved a turnover of Rs.910.64 crore. The net loss for the year, after depreciation was Rs.25.41 crore.

If we include the interest burden, this will be much higher and if we exclude the interest burden, this is only Rs. 25.41 crore. If you compare it with other steel plants of the Steel Authority of India Limited, the loss incurred by IISCO is much less. Such is the performance of a steel plant of vintage period. That was the financial performance of a steel plant when there is sluggishness and when there is recession in the steel market of our country. This is the situation in the last two years. This was not there two years before. The Minister also knows this very well. It has been stated here in the Annual Report. Why is there any recession and why is there no recession in South Korea and China?

China is producing steel to the extent of 80 million tonnes or 90 million tonnes or 100 million tonnes. That is their target. But in spite of producing 100 million tonnes of steel, there is no recession. But in our country, there is recession. What is the reason? It is because the Government of India has reduced the customs duty on steel. Steel is coming from foreign countries and getting dumped in our country at a much cheaper rate. The multinational companies are grabbing our market. Not only did we open our doors for them, but also we have reduced the customs duty on steel. So, the imported coal and steel becomes cheaper than the indigenous coal and steel. The price of indigenous coal is much higher than the imported coal and the price of indigenous steel is much higher than the imported steel. This is their *swedeshi* policy. They make the imported goods cheaper than the *desi* goods. That is why our markets are gradually getting reduced and the multinational companies are grabbing our markets.

There cannot be any argument to justify the criminal delay. Yes, there is a criminal delay. We have been hearing this for the last several years. There had been so many committees, which were appointed. Sometimes we hear

that Russia was interested. At that time, Soviet Union was interested to modernise the Indian Iron and Steel Company. They also submitted a proposal. We do not know what happened to that proposal. Then, the Japanese came forward with another proposal. They also showed interest. They also visited us. There had been several meetings. But there was no result. I do not know what action was taken thereafter, to get this vintage steel plant modernised.

Then came the Chinese, which is still continuing. When the discussion with the Chinese team was continuing, there was a global tender. A tender was issued in the midst of a discussion. That tender was a clear violation of the assurance given by the then Minister of Steel, Shri Mohan Kumaramangalam, when this Plant was nationalised.

He said that this plant is being nationalised in order to modernise it. So, the objective was to modernise that steel plant. Does the advertisement contain anything about modernisation? Was it just to sell a steel plant which has assets worth more than Rs.30,000 or Rs. 40,000 crore. If we calculate the assets like iron ore and iron and steel, it would not be less than Rs. 30,000 crore or Rs. 40,000 crore. Was the advertisement just to sell a property worth Rs. 30,000 crore or Rs. 40,000 crore at a throw away price of Rs. 400 crore or Rs. 500 crore?

The Minister is a close friend of mine. He has recently taken over the charge of Ministry of Coal. I hope he would explain and he would clarify as to why the modernisation is not being taken up. Why was modernisation of IISCO not included in the advertisement? Why was IISCO not merged with Steel Authority of India as it happened in the case of Bhadravati? It is less important. I am not objecting to that. When Bhadravati could be merged with SAIL, why not IISCO? Why IISCO was discriminated against? I hope the Minister will explain it. Is it just because it is located in the State of West Bengal? In IISCO, still there are more than 20,000 workers. From my district Purulia, on the other side of river Damodar, daily more than 3,000 workers go to IISCO to work as contract labourers. They are all tribal people. Thousands of workers are employed in coal mines and iron ore mines. What would happen to them? I was told five or six parties are interested in IISCO? Why are they interested? Are they interested to run the steel plant efficiently? They are interested in the iron ore. Best quality of iron ore is available there. They are interested in coal because best quality of coal is available there. They are not interested in running the steel plant.

You know that the Members get an opportunity to speak, to ventilate their grievances. You understand the sentiments of Members more than anybody else does because you had been the Speaker earlier.

When a Bill for Denationalisation of IISCO was brought before the House, most probably in 1996, my friend Shri Sontosh Mohan Dev was the Minister. At that time, we opposed it and the Government had to withdraw it. A history was created when a Bill could not be introduced. A meeting was then called by the Speaker. We attended that meeting and a decision was taken that the Government of India would take all steps to modernise IISCO. Why was that not done? Why was it not merged with SAIL? If the Steel Authority of India could spend Rs.6000 crore on the modernisation of Durgapur Steel Plant or if it can spend more than Rs.6000 crore on modernisation of Rourkela Steel Plant, why cannot the Government of India spend a little more than Rs.3000 crore on it so as to start the bare minimum production.?

There was an agreement. Nowhere, the workers came forward. All the Unions, from CITU to INTUC, joined together. The Government of West Bengal also came forward.. The Government of West Bengal also wanted to participate in the equity. Same is the case with the workers. When there was an agreement, why was that not finalised? A number of Parliamentary Committees were formed which gave a number of recommendations. The Petitions Committee of the Tenth Lok Sabha in its 8th Report spoke for a more attractive IISCO with 9 per cent

internal return. After modernisation, the IIR in IISCO will be the highest. This is because of its own iron ore mine, coal mine and its own coal washeries as also because of the regular availability of power. In comparison to other steels plants of SAIL, IISCO could be modernised with the lowest investment and made a more attractive IISCO with 9 per cent internal return but was ignored. The Report says:

> "The Committee is distressed to note that the Government has procrastinated even after a long period of 21 years since the take over of IISCO".

After a long period of 21 years in take over of IISCO, the scheme for modernisation of Burnpur Steel Works has not been finalised due to one reason or the other. The Plant has continued to suffer due to indifference and indecisiveness on the part of the Government. This is the 8th Report of the Petitions Committee of the Tenth Lok Sabha.

It is a unanimous recommendation of this Committee. There should not be any indecision and procrastination.

MR. CHAIRMAN : Shri Acharia, you have taken more than half an hour.

SHRI BASU DEB ACHARIA : Sir, I have not spoken for half an hour. When you took over, I was in the Chair.

MR. CHAIRMAN: There are two more Members to speak. If you conclude, we could, at least, complete one Bill today.

SHRI SATYAVRAT CHATURVEDI (KHAJURAHO): Sir, if on a repeal Bill Shri Acharia takes that long, I wonder how much time he would take if he had to support a Bill!

SHRI BASU DEB ACHARIA : Sir, this Bill is a step towards privatisation. The Government wants to split this company. This Act was there for the last more than 25 years. One Act was enacted in 1918 and another in 1952. So, even after nationalisation in 1974, this Act continued. Then why does the Government feel it necessary to repeal this Act? It is because they want to privatise IISCO. That is why, the repeal of this Act is necessary. I oppose this Bill. I urge upon the Government that IISCO should be merged with Steel Authority of India without any delay and funds should be made available for the modernisation of IISCO. If the discussions are going on with Chinese team, that should be finalised and IISCO should be modernised as a public sector undertaking. You do not privatise IISCO. Do not sell a property worth Rs.30,000 crore to Rs.40,000 crore at a throw away price.

SHRI E.M. SUDARSANA NATCHIAPPAN (SIVAGANGA): Hon. Chairman, Sir, this Bill seeks to repeal an Act which had already become infructuous and has expired due to lapse of time and other things. But at the same time, I would like to draw the attention of the Government that it was taken over in 1972 in view of the steady decline and deterioration in the production. This particular point is to be noted. Even though it becomes a subsidiary company of the SAIL, more attention should be given to better management and the production level should be looked into carefully so that the public sector undertaking could also earn. That type of attitude should be shown by the Government. It is because the purpose of bringing this type of Bill was to create more professional management on the side of the Government and to show that the Government can also manage nation's wealth properly. It need not be given to the private entrepreneurs alone. That was the purpose of taking over. When we are admitting that all the things should be privatised, then we are also admitting that the bureaucracy which is managing these types of undertakings could not manage them according to the modern needs. Therefore, we have to develop the modern management system so that we are able to achieve the purpose of taking over an industry.

With these words, I support the Bill.

*m05

15.00 बजे

श्री गिरधारी लाल भार्गव (जयपुर) : सभापति महोदय, माननीय मंत्री जी ने जो बिल सदन के सामने रखा है, मैं उसका समर्थन करने के लिए खड़ा हुआ हूं। मैं निवेदन कर दूं कि भारतवर्ष में 10 प्रतिशत लार्जर स्टील प्रोडक्टिविटी होती है, 90,000 करोड़ की इसकी कौपिटल है और इस सारे उद्योग में 5 लाख व्यक्ति जुड़े हुए हैं। मेरा निवेदन है कि कम्पनियों का एक के बाद एक मर्जीकरण करते चले गए और यह बिल इसी नाते लाया गया है। मंत्री जी को यह मालूम था कि जिस कम्पनी का मर्जीकरण कर रहे हैं, उसका काम ठीक नहीं है बल्कि उन्होंने कई कम्पनियां ऐसी अधिग्रहण की हैं जिनमें भारत सरकार का बहुत बड़ा हिस्सा था। उनको भी उन्होंने इसमें अधिग्रहण करने की व्यवस्था की है। स्टील का उद्योग मूलभूत उद्योग है। मूलभूत उद्योग होने के कारण सरकार इसे चलाए, सरकार देश की आवश्यकताओं की पूर्ति करे, इसलिए मैं इसका विरोधी नहीं हूं। सरकार को उन उद्योगों को अपने हाथ में लेना चाहिए और मूलभूत आवश्यकताओं की पूर्ति करना उसका कर्तव्य है। पहले इसमें दो वर्ा का समय लिया गया, उसके बाद पांच वर्ा का समय लिया गया। पांच वर्ा का समय भी खत्म हो गया है। उस कम्पनी की सारी मशीनरी और उपकरण ठीक करने में दो वर्ाों में 30 करोड़ रुपये खर्च किए गए। उसके बाद वह प्रबंध वापिस उस कम्पनी को दिया जाएगा या नहीं, मंत्री जी, आपको 30 करोड़ रुपये खर्च करने के बाद सारी बातें सोचनी पड़ेंगी। कोकिंग कोल माइन्स का प्रबंध भी भारत सरकार ने अपने हाथ में लिया था। उसके बाद उस पर डेढ़ करोड़ रुपये खर्च किए और उस उद्योग को वापिस उस कम्पनी को देने की बात सोचनी पड़ी। इसलिए सरकार का यह कथन कि हम उत्पादन बढ़ाना चाहते हैं, सरकार उत्पादन बढ़ाए, मिनी स्टील प्लांट लगाए। लेकिन आखिरकार घाटा क्यों होता है। हिन्दुस्तान स्टील कम्पनी में भी एक अरब 78 करोड़ रुपये का घाटा है। दुर्गापुर कारखाने में उत्पादन ठीक नहीं हो पा रहा है, मैनेजमैंट ठीक नहीं है, मशीनरी ठीक नहीं है। इन सारी बातों पर हम विचार करते हैं। हमारी स्टील की क्या नीति है, भारत सरकार को उसकी ठीक प्रकार घोाणा करनी चाहिए। जो 70 प्रतिशत उत्पादन होना चाहिए, वह नहीं हो पा रहा है। मंत्री जी अपने विचार रखते समय इस संबंध में भी बताएं। ...(व्यवधान) स्टील के भावों में निरंतर वृद्धि हो रही है। उसे रोका जाना बहुत आवश्यक है। चाहे जूट, टैक्सटाइल, कैमिकल की मशीनरी हो, इन सब के दाम बढ़ रहे हैं। इसी के साथ आज हम देख सकते हैं कि स्टील के भावों में बराबर वृद्धि हो रही है। एक छोटा सा नमूना देखना चाहें तो लोहे के बने ताले, रेजर ब्लेड, नट बोल्ट की कीमतें बराबर बढ़ रही हैं। भारत सरकार स्टील की पॉलिसी तय करे। जापान में स्टील उत्पादन में पिछले दस सालों में 200 प्रतिशत वृद्धि हुई है। जर्मनी में लगभग 40 प्रतिशत वृद्धि हुई है, फ्रांस ने 20 प्रतिशत वृद्धि की है लेकिन यहां लगातार गिरावट आ रही है। इस गिरावट को रोका जाना आवश्यक है। दुर्गापुर, भिलाई के प्लांट के संबंध में जो घाटा हो रहा है, उसे भी रोकने का प्रयास करना चाहिए।

स्टील की पॉलिसी ठीक प्रकार की होनी चाहिए। हम इस दिशा में एक कदम आगे बढ़ाते हैं तो एक कदम पीछे हटाते हैं। इससे देश के लोग समझ नहीं पा रहे हैं कि भारत सरकार की स्टील की पॉलिसी क्या है। माननीय मंत्री जी स्टील की पॉलिसी क्या होगी, इसको रिपील करने के बारे में यह छोटा सा बिल है। मैं इस बिल का स्वागत करता हूं।

आपने मुझे समय दिया, इसलिए मैं आपका भी स्वागत करते हुए अपनी बात समाप्त करता हूं।

*m05

SHRI SUNIL KHAN (DURGAPUR): Mr. Chairman Sir, it is very disheartening to note that the Bill to repeal the earlier laws relating to steel companies has been brought forward before the House. I stand to oppose it because it is one kind of hidden agenda of the NDA Government, namely, to privatise. So, I would like to make some points regarding this Bill to show how valuable is the factory. After nationalisation, Rs.600 crore was pumped off from IISCO but no money was given to IISCO for modernisation.

I will give you some data regarding iron ore mines and coal mines. These mines are the best in India. A Japan Company wanted to take it over. If the mines were taken over, they said they would modernise IISCO without any hesitation. I will give you some examples regarding the cost of the mines. There are iron ore mines at Cheria, Goa and Mohanpur. In the case of Cheria mines, the iron ore reserve is about two billion tonnes. The cost per tonne is Rs.595 and if you multiply it, it comes to Rs.1,19,000 crores. In the case of coal mines at Chasnala, Ramnagar and Jitpur, the reserve is about 200 million tonnes. The cost per tonne of coal is Rs.2240 and when you multiply, the worth of total reserves comes to Rs.46000 crore. The asset of the unit including the value of the infrastructure, the township and the plant including roads and schools will be around Rs.242.50 crore. The value of vacant land around it comes to Rs.200 crores. The asset inside the Integrated Steel Plant is worth Rs.2500 crore. The asset of building both in the plant and township is Rs.101 crore and the value of vacant land around Kulti is Rs.10 crore and the asset inside the plant is Rs.200 crore. If you calculate the net worth, it would be around Rs.2 lakh crores.

Then, I request you to clarify some points. What are the total iron ore reserves in Cheria, Goa and Mohanpur Iron Ore Mines? What is the total coal reserve at Chasnala, Ramnagar and Jitpur Mines? What is the total market price of total deposits of iron ore and coal under IISCO Mines? I want to know whether the Steel Authority of India has issued any advertisement expressing interest to sell or for Joint Venture of IISCO. What is the valuation of assets under IISCO management? What is the reserve price of sale or Joint Venture of IISCO assets? Can SAIL all together impose new conditions in its formal tender paper? Has SAIL expressed its interest to sell or for Joint Venture of IISCO?

I have three more questions to clarify. Is the Joint Venture Company required to increase its production capacity and if so, upto what million tonnes?

How many million tonnes do you expect? Next, I would like to know whether the joint venture companies have to invest any amount of money and if it is so, what amount of money they have to invest for their revival. These questions are to be answered by the Ministry of Steel. The valuable assets of India are privatised. The officers in the Ministry have calculated the worth of the equity to the extent of Rs.389 crore only. The value comes to 51 per cent only. It will fetch about Rs.200 crore only. The point is that you are giving the equity, which is worth rupees two lakh crore, to the tune of only Rs.200 crore. It is unfortunate that the Indian Government is losing its assets to a small amount which is paid by the private owners.

With these words, I again oppose this repeal Bill.

*m06

प्रो. रासासिंह रावत (अजमेर) : सभापति महोदय, मैं आपके माध्यम से इतना ही कहना चाहूंगा हमारे इस्पात और लोहे के संयंत्र दुर्गापुर, राउरकेला और बोकारो में हैं, इनके आधुनिकीकरण की प्रक्रिया धीमी चल रही है। इसलिए आधुनिकीकरण का पूरा लभा हमें प्राप्त नहीं हो रहा है। सरकार पुरानी कम्पनीज को रिपील करने सम्बन्धी यह बिल लाई है, उसका मैं पुरजोर समर्थन करता हूं। लेकिन मैं यह प्रार्थना भी करना चाहूंगा कि अन्य देशों की तुलना में आज ऊर्जा खपत या कोक की जो दर है, उस दृटि से हम पीछे हैं। इसमें पर्याप्त सुधार की आवश्यकता है। जो प्रमुख आधुनिककृत इकाइयां हैं, उनकी 70 प्रतिशत क्षमता ही उप्योगिता के अंदर आ रही है। कोयला, अन्तःक्षेपण की जो सुविधाएं हैं, उनका हमारे कारखानों के अंदर अभाव है।

आज उदारीकरण का जमाना चल रहा है, उसका मैं समर्थन करता हूं। लेकिन इस्पात उद्योग को क्वालिटी और मूल्य के सम्बन्ध में घरेलू प्रतिस्पर्धा के साथ-साथ विश्व प्रतिस्पर्धा के अनुकूल बनाना भी हमारा कर्त्तव्य है। हालांकि भारत लोहे और इस्पात में काफी आत्मनिर्भर रहो गया है। हमारा निर्यात बढ़ रहा है, आयात घट रहा है, लेकिन स्थिति को और अच्छा बनाने की आवश्यकता है। मैं इसके लिए सरकार को बधाई देना चाहता हूं कि वह प्रयत्नशील है। उत्पादन और खपत को प्रभावित करने वाले मुद्दों को निरंतर दूर करने की आवश्यकता है। साथ ही इस्पात संयंत्रों में उतपादकता को अंतरराट्रीय मानकों के अनुरूप बनाए रखना चाहिए।

*m07

DR. NITISH SENGUPTA (CONTAI): Sir, I thank you very much for the opportunity given to me. It is with a lot of sorrow rather than anger that I rise to speak on a subject which is a classic example of what dilly-dallying and indecision can do to a perfectly fine enterprise. The IISCO, when it was nationalised in 1973, was declaring dividend even at that time. Nobody knows why it was nationalised. Out of absolute dogmatism and the total

influence of the Soviet style philosophy, it was done. Anyway, it was done. But, over the years, repeated attempts have been made to rescue the IISCO. Programmes have been drawn up. Plans have been made. But once again because of political trouble, those has gone. In 1989-90, everything was sorted out with the Japanese. The Japanese were anxious to come and collaborate to modernise the IISCO. But there was a change in the Government. The Government which came , I am sorry to say, handled it totally in an irresponsible manner. Because the previous Government had finalised the matter, it smelt a rat and blocked the whole thing for a long time. Then the Government appointed successive Committees. One Company, with the help of the Soviet Union, wanted to come. But they did not come eventually because of the problem of not giving them enough authority. Then, an expert Committee was appointed which, after considering several options, recommended that it should be given to a private sector steel company which will come as partness- Mukund Iron and Steel Company, let me say so. But once again political factors intervened. All kinds of factors were brought in. The problem was just now solved.

Sir, I would appeal to you to visit the IISCO once. If you visit the IISCO, you will come to know what lamentable conditions the workers are working in. Sometimes they have to tie up the machinery with ropes because there is no money to really fix the machinery properly. Without any kind of a power house, without any kind of a proper equipment, they are still producing some of the finest steel in the country. I can tell you that it is not a question of how it should be

modernised. But the fact is that it must be modernised. My friends in the Trade Unions must cooperate. They must leave their political baggage behind.

Then try to cooperate for the speedy development of the industry. Labour should cooperate and bring about the modernisation of the company. Geographically, that is the finest location for any steel plant in the sub-continent. Finest location one can think of − confluence of two rivers; confluence of two railway systems; proximity of mines; proximity of iron ore and all that. It can easily be modernised but what is necessary is that the Government must take a firm decision here and now. I do not mind as to whether it is done by SAIL. But I personally feel that SAIL has many more problems on its head just now than modernising the IISCO. Therefore, we should not saddle SAIL with yet another problem when they are not able to solve their own problem.

Whether it is done by SAIL or whether it is given to a private sector party, I think, there will be no dearth of foreign parties to come in and take charge of modernising the IISCO. But we should shed off our political baggage. Everybody should cooperate. I have no doubt that IISCO can once again rise up like a sphinx to its own self as it was till 1971-72 when it was even declaring dividend and it was considered a better job to join the IISCO than even the Tata Iron & Steel Company those days.

I support this Bill. Thank you very much.

*m08

SHRI SUDIP BANDYOPADHYAY (CALCUTTA NORTH WEST): Will the Minister kindly inform that as far as the modernisation of the project is concerned, has Shri Jyoti Basu, the Chief Minister of West Bengal written a letter to the Minister of Steel to the effect that modernisation should be done through a private party - Swraj Paul? If he could authenticate it, it is all right. If not, I can produce the xerox copy of the letter. I want it to be confirmed as to whether the Left Front Government has proposed that modernisation of the IISCO be given to private sector and not to the SAIL.

*m09

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJA KISHORE TRIPATHY): Mr. Chairman, Sir, I am really grateful to the seven hon. Members who have participated on this Bill. I am grateful for their valuable suggestions. Definitely, I would look into all those suggestions. The motive attributed by the hon. Member, Shri Basu Deb Acharia is not correct. This is a very simple Bill. It is not meant for privatisation of IISCO. The real purpose is that the Department of Administrative Reforms had set up a Commission under the chairmanship of Shri P.C. Jain in May, 1998 to review laws and regulations, identifying proposals for amendments to existing laws and to make recommendations for repeal/amendments of laws.

The Commission has identified certain laws, which are no longer relevant and, therefore, can be repealed. For the Steel sector, the laws identified are:

1. The Iron & Steel Company (Taking over of Management) Act, 1972.

1. The Iron & Steel Companies (Amalgamation) Act, 1952.

Now, these two Acts are proposed to be repealed.

The Iron and Steel Companies (Amalgamation) Act, 1952 (Act No.79 of 1952) was enacted to amalgamate the Indian Iron & Steel Company Limited with the Steel Corporation of Bengal on the recommendation of the Tariff Board and the Tariff Commission. In the initial years, after Independence, when a serious shortage of steel was hampering the nation-building activities, it became imperative to eliminate duplication and wastage and ultimately reduce the cost of production in respect of steel. For this purpose, it was thought fit that the Steel Corporation of Bengal Limited, which had its works at Kulti, District Burdwan, West Bengal and the Indian Iron and Steel Company Limited, Burnpur, District Burdwan, West Bengal, both of which were engaged in the manufacture and production of iron and steel, should be amalgamated. The amalgamation was thought necessary to give effect to the schemes of the Central Government for the expansion of the iron and steel industry and make available resources for such expansion.

The Act has now served its purpose and no action might have been left over, which has to be undertaken under or in accordance with the provisions of the said Act. It is, therefore, no more necessary to retain this Act in the Statute Book.

The management of Indian Iron and Steel Company was taken over initially for a period of two years, with effect from 14.7.1972 to secure its proper management. The period was extended for five years to complete restructuring and strengthening of the administrative set up of the company.

The said period of five years expired on 15.7.1977. Consequently, the Act is no longer operative. Subsequently, the Indian Iron and Steel Co. (Acquisition of Shares) Act, 1976 was passed and the company was completely nationalised. In 1978, IISCO became a subsidiary of SAIL under the Public Sector Iron & Steel Companies (Restructuring and Miscellaneous) Act, 1978. Thus, the Act having served its purpose, is no longer operative and can be easily removed from the Book of Statute.

As I have explained, I would again state that these Acts have no relevance now and are in no way connected to the restructuring of SAIL, or to the proposed conversion of IISCO into a joint venture.

Sir, I would now like to reply to some of the specific points made by Shri Basu Deb Acharia. While I agree with the point raised by the hon. Member that there is necessity to modernise IISCO and the mines, money is necessary for investment. As you know, so far as SAIL is concerned, it has no money for investment towards modernisation. So, it is now securing for joint venture of some parties, who can invest money for the modernisation of IISCO.

I have taken note of all the other points made by the hon. Members and I will reply to them subsequently.

Sir, I now request the hon.embers to support this Bill.

SHRI SUNIL KHAN (DURGAPUR): Mr. Chairman, Sir, I would request the hon. Minister to give an assurance for the modernisation of IISCO.

SHRI BRAJA KISHORE TRIPATHY: Sir, we will take all the necessary steps for the modernisation of IISCO. ...(*Interruptions*)

SHRI SUNIL KHAN : Sir, what about the modernisation of IISCO? Since he is not giving an assurance for the modernisation of IISCO, I am walking out in protest.

1523 hours

(At this stage, Shri Sunil Khan left the House.)

MR. CHAIRMAN : The question is:

> "That the Bill to repeal the Iron and Steel Companies Amalgamation Act, 1952 and the Indian Iron and Steel Company (Taking Over of Management) Act, 1972, be taken into consideration."

The motion was adopted.

MR. CHAIRMAN: The House will now take up clause-by-clause consideration of the Bill.

The question is:

"That clause 2 stand part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 1, the Enacting Formula and theLong Title were added to the Bill.

SHRI BRAJA KISHORE TRIPATHY: I beg to move:

"That the Bill be passed."

MR. CHAIRMAN: The question is:

"That the Bill be passed."

The motion was adopted.